PROVINCE OF SASKATCHEWAN

10-11

ANNUAL REPORT

MINISTRY OF AGRICULTURE

Agricultural Stabilization Fund

Table of Contents

Letters of Transmittal 2
The Saskatchewan Agricultural Stabilization Fund 4
Wildlife Damage Compensation and Livestock Predation Prevention Program 4
Wildlife Compensation Program Summary 5
New Crops Insurance Program 6
The Canada-Saskatchewan Excess Moisture Program (CSEMP) 6
Canadian Farm Income Program (CFIP) 6
BSE Recovery Program 6
Specified Risk Material Management Program (SRM) 6
Farm and Ranch Water Infrastructure Program 2008 (FRWIP 2008) 6
Farm and Ranch Water Infrastructure Program 2009 (FRWIP 2009) 7
Canada Saskatchewan Pasture Recovery Initiative (CSPRI) 7

Management's Responsibility for the Financial Statements 8

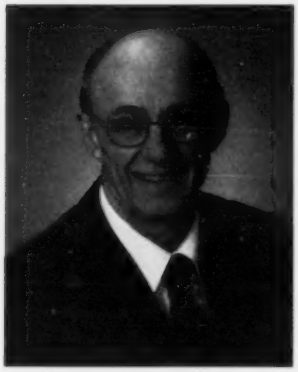
Auditors' Report 9

Financial Statements
Statement of Financial Position 10
Statement of Operation Changes in Net Financial Assets 12
Statement of Cash Flows 14

Notes on Financial Satements 16

This annual report is also available in electronic format from the Ministry's website at **www.agriculture.gov.sk.ca**.

Letters of Transmittal



His Honour the Honourable Dr. Gordon L. Barnhart, S.O.M., Ph.D.
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I have the pleasure to submit to your Honour the Annual Report of the Saskatchewan Agricultural Stabilization Fund for the year ending March 31, 2011.

Respectfully submitted,

Bob Bjornerud
Minister of Agriculture

Letters of Transmittal

The Honourable Bob Bjornerud
Minister of Agriculture

Sir:

I wish to present to you the Annual Report of the Saskatchewan Agricultural Stabilization Fund for the 12 months ending March 31, 2011.

The Fund's annual report was prepared under my direction in accordance with the Government's Accountability Framework and its system of planning, measuring and reporting. All key actions, and associated economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Respectfully submitted,

Alanna Koch
Deputy Minister of Agriculture

The Saskatchewan Agricultural Stabilization Fund

The Fund is established under the *Farm Financial Stability Act.*

The purpose of the Fund is to administer those programs established under the Act, which enhance or stabilize the incomes of Saskatchewan farmers or the returns from commodities produced by Saskatchewan farmers.

The Fund administers each program that is set up under it by establishing a separate account, which receives funding from the provincial and federal governments and pays out these funds according to the specific program regulations.

The Fund operates the following nine accounts which are established by the regulations noted:

- Wildlife Damage Compensation Program Account – *The Wildlife Damage and Livestock Predation Regulations.*
- New Crops Insurance Account – *The New Crops Insurance Program Regulations*
- The Agricultural Income Disaster Assistance and Canadian Farm Income Program Account – *The AIDA and CFIP Program Regulations*
- The BSE (Bovine Spongiform Encephalopathy) Recovery Program Account – *The Canada-Saskatchewan BSE Recovery Program Regulations, 2003*
- The Specified Risk Material Management (SRM) Program – *The Canada-Saskatchewan Specified Risk Material Management Program Regulations*
- The Farm and Ranch Water Infrastructure Program (FRWIP) – *The Farm and Ranch Water Infrastructure Program Regulations*
- The 2009 Farm and Ranch Water Infrastructure Program (FRWIP 2009) – *The 2009 Farm and Ranch Water Infrastructure Program Regulations*
- The Canada-Saskatchewan Excess Moisture Program (CSEMP) – *The Excess Moisture Program Regulations*
- The Canada-Saskatchewan Pasture Recovery Initiative (CSPRI) – *The Canada-Saskatchewan Pasture Recovery Initiative Regulations*

Wildlife Damage Compensation and Livestock Predation Prevention Program

The Wildlife Damage Compensation and Livestock Predation Prevention Program is administered by the Saskatchewan Crop Insurance Corporation (SCIC) under Growing Forward on behalf of the federal and provincial governments. This program consists of three components: crop damage compensation, predation compensation and prevention.

Under this program, compensation is provided for crop damage caused by any wild animal, including ducks, geese, sandhill cranes, white-tailed and mule deer, antelope, elk, bison, moose, bear and most recently wild boar, beavers and blackbirds. Producers are eligible for 100 per cent compensation on claims $150 and over. Payments are based on the grade at the time of harvest, reflecting the value of the damaged crop; protein adjustments and malting status are not included in determining compensation amounts.

In 2010, compensation also became available for wildlife damage to crops and feed used for swath, bale and corn grazing. The previous compensation limit of $5,200 was also removed for wildlife damage to stacked feed in a yard site.

SCIC began administering predation compensation in 2010. The program now provides 100 per cent compensation for the death of livestock or poultry due to predation and up to 80 per cent of the animal's value to cover veterinary costs of an injured animal. Compensation will be determined based on market prices.

Funding for crop and predation losses is cost shared 60 per cent by the federal government and 40 per cent by the provincial government up to the 80 per cent compensation level; the provincial government contributes the additional 20 per cent.

Prevention measures to reduce crop and predation losses are also now funded under this program. Available prevention measures include predation specialists, lure crops, waterfowl feeding stations, scare cannons and compensation for guard dogs and fencing.

There are no premiums paid by producers and all Saskatchewan producers are eligible for compensation. Producers do not need to be Crop Insurance contract holders.

Though the former waterfowl and big game programs were combined under a single wildlife program in 2007, the compensation for each type of loss is reported separately.

Wildlife Compensation Program Summary

FISCAL YEAR	Waterfowl Claims	Waterfowl Compensation Paid	Big Game Claims	Big Game Compensation Paid	Other Claims	Other Compensation Paid
78-79	1,586	$ 1,836,587				
79-80	908	$ 977,476				
80-81	1,233	$ 1,465,480				
81-82	305	$ 312,061				
82-83	582	$ 684,593				
83-84	541	$ 869,910				
84-85	408	$ 763,530				
85-86	2,544	$ 6,389,022				
86-87	2,950	$ 6,658,769				
87-88	1,210	$ 1,779,933				
88-89	807	$ 1,337,903				
89-90	1,384	$ 3,727,130				
90-91	760	$ 2,138,380				
91-92	392	$ 683,391				
92-93	2,040	$ 5,557,642				
93-94	1,560	$ 3,603,156				
94-95	1,668	$ 1,778,556				
95-96	709	$ 1,352,767				
96-97	2,416	$ 7,951,921				
97-98	1,077	$ 4,361,668	1,671	$ 6,412,426		
98-99	298	$ 520,360	264	$ 529,955		
99-00	1,600	$ 4,309,428	400	$ 893,760		
00-01	1,132	$ 2,559,440	383	$ 968,948		
01-02	164	$ 233,093	612	$ 1,306,835		
02-03	781	$ 2,368,893	393	$ 1,164,098		
03-04	1,028	$ 5,202,721	2,789	$10,366,683		
04-05	1,654	$ 5,028,034	813	$ 1,594,932		
05-06	1,601	$ 4,843,872	1,595	$ 3,567,641		
06-07	1,119	$ 4,055,209	1,588	$ 3,890,262		
07-08	1,458	$ 7,696,618	1,294	$ 3,721,846		
08-09	713	$ 2,159,830	927	$ 2,351,247		
09-10	1,129	$ 4,154,806	1,235	$ 3,618,716		
10-11	1,307	$10,423,387	1,401	$ 5,318,029	3,508	$ 1,489,132
TOTAL	**39,064**	**$107,785,566**	**15,365**	**$45,705,378**		
Average	**1,184**	**$3,266,229**	**1,098**	**$3,264,670**		
Five-year Average	**1,145**	**$5,697,970**	**1,289**	**$3,780,020**		

New Crops Insurance Program

The New Crops Insurance Program was discontinued in 2010-11. New crops are now covered under the existing reinsurance provisions of the Crop Insurance Program. The funds remaining in the New Crops Insurance Program Account were transferred to the Wildlife Damage Compensation Account. The New Crops Insurance Program Regulations have been repealed.

The Canada-Saskatchewan Excess Moisture Program (CSEMP)

The CSEMP provided $30 per eligible acre to Saskatchewan producers who had land too wet to seed as of June 20, 2010 or had a seeded crop lost because of flooding on or before July 31, 2010. The program was administered by the Saskatchewan Crop Insurance Corporation and was cost shared 60 per cent by the federal government and 40 per cent by the provincial government under the AgriRecovery program. Saskatchewan's provincial share of this program represented the largest one-time provincial agricultural disaster response in Saskatchewan's history. There were 20,997 claims registered through the CSEMP, with the program providing a total of $252.3 million in compensation.

Canadian Farm Income Program (CFIP)

The CFIP has been finalized and all liabilities in the Fund attributable to the program are settled. The funds remaining in the CFIP Account were returned to the General Revenue Fund in 2010-11.

BSE Recovery Program

The funds remaining in the BSE Recovery Program Account were returned to the General Revenue Fund in 2009-10 as this program is now complete. The Canada-Saskatchewan BSE Recovery Program Regulations, 2003 have been repealed.

Specified Risk Material Management Program (SRM)

The SRM Program provides funding to facilities affected by the enhanced feed ban for investment in one-time infrastructure development projects specifically related to SRM handling and disposal. The total cost for the program is $18.3 million and was cost shared 60 per cent by the federal government and 40 per cent by the provincial government. The program was announced March 30, 2007 and application deadline was December 31, 2008. Negotiations with the federal government allowed an extension of the program until September 30, 2010. As well, in March 2010, the amount of the assistance payment was increased from 50 per cent to 75 per cent of eligible expenditures for the approved project. During 2010-11, expenditures were made on 21 projects totaling $4 million.

Farm and Ranch Water Infrastructure Program 2008 (FRWIP 2008)

The FRWIP provides funding to farmers, ranchers, rural municipalities (RMs) and Indian Bands in the designated drought region to develop secure water supplies to mitigate the effects of drought and encourage economic growth. The drought region is made up of 65 RMs in southwestern Saskatchewan. There are three components to the program:

1) Emergency – funding for RMs to provide emergency water supplies (50 per cent of eligible costs to a maximum of $10,000);
2) On-farm – funding for farmers and ranchers for well, pipeline and dugout projects (65 per cent of eligible costs); and
3) Community Wells – funding for RMs and Indian Bands for community well projects (85 per cent of eligible costs).

The program was announced May 1, 2008, and the application deadline was December 3, 2008. Applicants had until December 31, 2010 to complete their projects and until January 31, 2011 to submit their claims. During 2010-11, 704 payments totaling $6.2 million were made for on-farm projects.

Farm and Ranch Water Infrastructure Program 2009 (FRWIP 2009)

The FRWIP 2009 provides funding to farmers, ranchers, rural municipalities (RMs) and Indian Bands province wide to develop secure water supplies to mitigate the effects of drought and encourage economic growth. There are three components to the program:

1) On-farm – funding for farmers and ranchers for well, pipeline and dugout projects (50 per cent of eligible costs): and
2) Community Wells – funding for RMs and Indian Bands for community well projects (66.66 per cent of eligible costs)
3) Irrigation District Projects – funding for irrigation districts for infill development (90 per cent of eligible costs)

The program was announced on April 30, 2009. Applicants must complete their projects prior to March 15, 2013. During 2010-2011, 859 payments totaling $4.1 million were made on projects.

Canada Saskatchewan Pasture Recovery Initiative (CSPRI)

CSPRI was announced May 31, 2010 and ended September 1, 2010 as a federal and provincial initiative under AgriRecovery. The purpose of the initiative was to provide resources to producers in affected areas to allow pastures to recover from the impacts of drought.

Producers within the designated area were provided funding of $10 to $60 per head for breeding animals. Funding levels depended upon the species claimed. The designated area was the known area where pastures could benefit the most from a rest period before grazing in 2010 that would extend the productive capacity of the pastures.

Over the life of the program, 3,581 claims were paid a total of $16.9 million

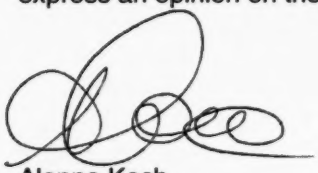
Management's Responsibility for the Financial Statements

The accompanying financial statements of the Saskatchewan Agricultural Stabilization Fund (Fund) have been prepared by management in accordance with Canadian generally accepted accounting principles, using management's best estimates and judgments where appropriate.

The Fund's management is responsible for the reliability and integrity of these financial statements and other information in this annual report. Financial information in the annual report is consistent with that provided in these financial statements.

In discharging its responsibility for the reliability and integrity of these financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Fund's external auditor, KPMG LLP, has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.



Alanna Koch
Deputy Minister
Ministry of Agriculture
June 20, 2011

Raymond Arscott, CA
Executive Director
Corporate Services Branch
Ministry of Agriculture
June 20, 2011

KPMG LLP
Chartered Accountants
McCallum Hill Centre, Tower II
1881 Scarth Street, 20th Floor
Regina Saskatchewan S4P 4K9
Canada

Telephone (306) 791-1200
Fax (306) 757-4703
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the accompanying financial statements of Saskatchewan Agricultural Stabilization Fund, which comprise the statement of financial position as at March 31, 2011 and the statements of operations and changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Agricultural Stabilization Fund as at March 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada
June 20, 2011

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Financial Position
For the year ended March 31

	Wildlife Damage Compensation Program		New Crops Insurance Program		Canada - Saskatchewan Excess Moisture Program		The Farm and Ranch Water Infrastructure Program 2008	
	2011	2010	2011	2010	2011	2010	2011	2010
FINANCIAL ASSETS								
Cash (Bank overdraft)	$ 315,159	$ 328,236	$ -	$ -	$ -	$ -	$ (428,778)	$ 4,812,681
Investments	6,600,000	-	-	-	-	-	-	-
Due from the Saskatchewan Crop Insurance Corporation	-	-	-	-	15,242	-	-	-
Due from Province of Saskatchewan								
- General Revenue Fund (note 3)	1,159,959	897,245	-	6,537,408	1,053,736	-	-	-
Due from Government of Canada	1,642,536	1,419,048	-	-	-	-	4,797,805	585,555
Accrued interest and other receivables	-	39,674	-	4,191	65,903	-	-	-
	$ 9,717,654	$ 2,684,203	$ -	$ 6,541,599	$ 1,134,881	$ -	$ 4,369,027	$ 5,398,236
LIABILITIES								
Accounts payable and accrued liabilities	55,330	33,467	-	-	-	-	-	-
Indemnities payable	3,206,342	2,549,015	-	-	-	-	-	-
Grants payable	-	-	-	-	-	-	179,167	736,321
Due to the Saskatchewan Crop Insurance Corporation	39,216	101,721	-	-	-	-	-	-
Due to Province of Saskatchewan - GRF	-	-					4,189,860	
Due to Government of Canada (note 4)	-	-	-	-	-	-	-	-
	3,300,888	2,684,203	-	-	-	-	4,369,027	736,321
NET FINANCIAL ASSETS	$ 6,416,766	$ -	$ -	$ 6,541,599	$ 1,134,881	$ -	$ -	$ 4,661,915

AIDA-CFIP Program		Canada-Saskatchewan BSE Recovery Program		The Farm and Ranch Water Infrastructure Program 2009		Specified Risk Material Management Program		Canada-Saskatchewan Pasture Recovery Initiative		Total	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
$ -	$ 2,670,148	$ -	$ -	$ 14,607,182	$ 6,953,485	$ 878,625	$ 3,623,127	$ (625,779)	$ -	$ 14,746,409	$ 18,387,677
-	-	-	-	-	-	-	-	-	-	6,600,000	-
-	-	-	-	-	-	-	-	-	-	15,242	-
-	-	-	-	170,408	3,304,958	-	-	-	-	2,384,103	10,739,611
-	-	-	-	-	-	489,233	6,651,829	626,054	-	7,555,628	8,656,432
-	-	-	-	-	-	-	-	-	-	65,903	43,865
$ -	$ 2,670,148	$ -	$ -	$ 14,777,590	$ 10,258,443	$ 1,367,858	$ 10,274,956	$ 275	$ -	$ 31,367,285	$ 37,827,585
-	-	-	-	-	-	1,214,817	-	-	-	1,270,147	33,467
-	-	-	-	-	-	-	-	-	-	3,206,342	2,549,015
-	-	-	-	277,590	758,443	-	6,096,990	-	-	456,757	7,591,754
-	-	-	-	-	-	-	-	-	-	39,216	101,721
						-	-	275	-	4,190,135	-
-	2,669,852	-	-	-	-	-	-	-	-	-	2,669,852
-	2,669,852	-	-	277,590	758,443	1,214,817	6,096,990	275	-	9,162,597	12,945,809
$ -	$ 296	$ -	$ -	$ 14,500,000	$ 9,500,000	$ 153,041	$ 4,177,966	$ -	$ -	$ 22,204,688	$ 24,881,776

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Operations and Changes in Net Financial Assets
For the period ended March 31

	Wildlife Damage Compensation Program		New Crops Insurance Program		Canada - Saskatchewan Excess Moisture Program		The Farm and Ranch Water Infrastructure Program 2008	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue								
Interest income	$ 24,757	$ 702	$ 6,299	$ 17,776	$ 151,572	$ -	$ -	$ -
Province of Saskatchewan								
- General Revenue Fund grant programs	9,662,712	4,940,391	-	-	101,600,000	-	-	-
Government of Canada	8,596,348	4,536,339	-	-	152,400,000	-	5,602,624	4,552,668
Other	-	-	-	-	-	-	-	-
	18,283,817	9,477,432	6,299	17,776	254,151,572	-	5,602,624	4,552,668
Expenses								
Indemnities	17,909,739	9,477,432	-	-	-	-	-	-
Administration	505,210	-	-	-	653,661	-	-	-
Grants to producers	-	-	-	-	252,363,030	-	6,176,187	10,024,700
Transfers to the Government of Canada	-	-	-	-	-	-	-	
Transfers to the Province of Saskatchewan - GRF	-	-	-	-	-	-	4,088,352	-
Other	-	-	-	-	-	-	-	82,683
	18,414,949	9,477,432	-	-	253,016,691	-	10,264,539	10,107,383
Excess (deficiency) of revenue over expenses for the year	$ (131,132)	$ -	$ 6,299	$ 17,776	$ 1,134,881	$ -	$ (4,661,915)	$ (5,554,715)
Net financial assets, beginning of year	-	-	6,541,599	6,523,823	-	-	4,661,915	10,216,630
Transfers between programs	6,547,898	-	(6,547,898)	-	-	-	-	-
Net financial assets, end of year	$ 6,416,766	$ -	$ -	$ 6,541,599	$ 1,134,881	$ -	$ -	$ 4,661,915

AIDA-CTIP Program		Canada-Saskatchewan BSE Recovery Program		The Farm and Ranch Water Infrastructure Program 2009		Specified Risk Material Management Program		Canada-Saskatchewan Pasture Recovery Initiative		Total	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 182,628	$ 18,478
-	-	-	-	5,000,000	9,500,000	-	-	6,750,703	-	123,013,415	14,440,391
-	17,514	-	-	4,095,156	5,970,958	4,064	6,833,384	10,126,054	-	180,824,246	21,910,863
-	-	-	-	-	-	-	-	-	-	-	-
-	17,514	-	-	9,095,156	15,470,958	4,064	6,833,384	16,876,757	-	304,020,289	36,369,732
-	-	-	-	-	-	-	-	-	-	17,909,739	9,477,432
-	-	-	-	-	-	-	-	-	-	1,158,871	-
-	-	-	-	4,095,156	5,970,958	4,028,989	7,328,040	16,876,757	-	283,540,119	23,323,698
-	-	-	-	-	-	-	-	-	-	-	-
296	-	-	-	-	-	-	-	-	-	4,088,648	-
-	2,078,896	-	47,059	-	-	-	-	-	-	-	2,208,636
296	2,078,896	-	47,059	4,095,156	5,970,958	4,028,989	7,328,040	16,876,757	-	306,697,377	35,009,766
$ (296)	$ (2,061,380)	$ -	$ (47,059)	$ 5,000,000	$ 9,500,000	$ (4,024,925)	$ (494,656)	$ -	$ -	$ (2,677,088)	$ 1,359,966
296	2,061,670	-	47,059	9,500,000	-	4,177,966	4,672,622	-	-	24,881,776	23,521,810
-	-	-	-	-	-	-	-	-	-	-	-
$ -	$ 296	$ -	$ -	$ 14,500,000	$ 9,500,000	$ 153,041	$ 4,177,966	$ -	$ -	$ 22,204,688	$ 24,881,776

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Cash Flows
For the period ended March 31

	Wildlife Damage Compensation Program		New Crops Insurance Program		Canada - Saskatchewan Excess Moisture Program		The Farm and Ranch Water Infrastructure Program 2008	
	2011	2010	2011	2010	2011	2010	2011	2010
Cash flows from (used in) operating activities:								
Cash receipts from the Government of Canada	$ 8,372,860	$ 3,664,513	$ -	$ -	$ 152,400,000	$ -	$ 1,491,882	$ 5,393,852
Cash receipts from the General Revenue Fund	9,399,998	4,043,146	-	-	101,600,000	-	-	
Increase in funds held by the General Revenue Fund	262,714	897,245	-	-	-	-	-	-
Interest received	64,431	(13,942)	10,490	30,324	85,669	-	-	-
Cash paid to the Government of Canada	-	-	-	-	-	-	-	-
Cash paid to the Government of Saskatchewan	-	-	-	-	-	-	-	-
Cash received from (paid to) Saskatchewan Crop Insurance Corporation	(62,505)	192,068	-	-	(15,242)	-	-	-
Cash paid for administration	(505,210)	-	-	-	(653,661)	-	-	(82,683)
Cash paid to producers	(17,230,549)	(7,773,522)	-	-	(252,363,030)	-	(6,733,341)	(10,456,816)
Net increase (decrease) in cash and cash equivalents	301,739	1,009,508	10,490	30,324	1,053,736	-	(5,241,459)	(5,145,647)
Cash and cash equivalents at beginning of year	1,225,481	215,973	6,537,408	6,507,084	-	-	4,812,681	9,958,328
Transfers between programs	6,547,898	-	(6,547,898)	-	-	-	-	-
Cash and cash equivalents at end of year	$ 8,075,118	$ 1,225,481	$ -	$ 6,537,408	$ 1,053,736	$ -	$ (428,778)	$ 4,812,681
Cash and cash equivalents include:								
Cash (Bank overdraft)	$ 315,159	$ 328,236	$ -	$ -	$ -	$ -	$ (428,778)	$ 4,812,681
Investments	6,600,000	-	-	-	-	-	-	-
Due from the Province of Saskatchewan - General Revenue Fund	1,159,959	897,245	-	6,537,408	1,053,736	-	-	-
	$ 8,075,118	$ 1,225,481	$ -	$ 6,537,408	$ 1,053,736	$ -	$ (428,778)	$ 4,812,681

AIDA-CFIP Program		Canada-Saskatchewan BSE Recovery Program		The Farm and Ranch Water Infrastructure Program 2009		Specified Risk Material Management Program		Canada-Saskatchewan Pasture Recovery Initiative		Total	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
$ -	$ -	$ -	$ -	$ 4,095,156	$ 2,666,000	$ 6,166,660	$ 1,111,041	$ 9,500,000	$ -	$ 182,026,558	$ 12,835,406
-	2,669,852	-	-	5,000,000	9,500,000	-	-	6,751,203	-	122,751,201	16,212,998
-	(4,748,746)	-	-	-	3,304,958	1,214,817	-	-	-	1,477,531	(546,543)
-	-	-	-	-	-	-	-	-	-	160,590	16,382
(2,669,852)	-	-	-	-	-	-	-	-	-	(2,669,852)	-
(296)	-	-	(47,059)	-	-	-	-	-	-	(296)	(47,059)
-	-	-	-	-	-	-	-	-	-	(77,747)	192,068
-	-	-	-	-	-	-	-	-	-	(1,158,871)	(82,683)
-	-	-	-	(4,576,609)	(5,212,515)	(10,125,979)	(3,582,652)	(16,876,982)	-	(307,905,890)	(27,025,505)
(2,670,148)	(2,078,894)	-	(47,059)	4,519,147	10,258,443	(2,744,502)	(2,471,611)	(625,779)	-	(5,396,776)	1,555,064
2,670,148	4,749,042	-	47,059	10,258,443	-	3,623,127	6,094,738	-	-	29,127,288	27,572,224
-	-	-	-	-	-	-	-	-	-	-	-
$ -	$ 2,670,148	$ -	$ -	$ 14,777,590	$ 10,258,443	$ 878,625	$ 3,623,127	$ (625,779)	$ -	$ 23,730,512	$ 29,127,288
$ -	$ 2,670,148	$ -	$ -	$ 14,607,182	$ 6,953,485	$ 878,625	$ 3,623,127	$ (625,779)	$ -	$ 14,746,409	$ 18,387,677
-	-	-	-	-	-	-	-	-	-	6,600,000	-
-	-	-	-	170,408	3,304,958	-	-	-	-	2,384,103	10,739,611
$ -	$ 2,670,148	$ -	$ -	$ 14,777,590	$ 10,258,443	$ 878,625	$ 3,623,127	$ (625,779)	$ -	$ 23,730,512	$ 29,127,288

Saskatchewan Agricultural Stabilization Fund
Notes to the Financial Statements
As at March 31, 2011

1. Status of the Fund

The Saskatchewan Agricultural Stabilization Fund (the Fund) was established under *The Farm Financial Stability Act* (the Act).

The following programs exist within the Fund:

New Crops Insurance Program:
The New Crops Insurance Program was established in the 1996-97 fiscal year pursuant to Part IV of the Act and is administered by the Saskatchewan Crop Insurance Corporation. The purpose of the program is to compensate the Corporation for insurance losses on new or developmental crops.

Wildlife Damage Compensation Program:
The Wildlife Damage Compensation Program is administered by the Saskatchewan Crop Insurance Corporation and is the successor program to the Big Game Damage Compensation and the Waterfowl Damage Compensation Programs, which were established in 1996-97 and 1997-98 fiscal years respectively, pursuant to Part IV of the Act and is administered by the Saskatchewan Crop Insurance Corporation. The purpose of the program is to compensate producers of commercial agricultural crops for losses to field crops resulting from damage caused by big game and waterfowl.

Canada-Saskatchewan Excess Moisture Program (EMP):
The Canada-Saskatchewan Excess Moisture Program is administered by the Saskatchewan Crop Insurance Corporation and was announced on July 8, 2010. Together, the federal and provincial government provided $30 per acre to Saskatchewan producers who had land too wet to seed as of June 20 or seeded crop lost because of flooding on or before July 31. The funding for this program comes from AgriRecovery, which is part of the federal-provincial Growing Forward Business Risk Management Suite.

Agricultural Income Disaster Assistance (AIDA) Program - Canadian Farm Income Program (CFIP):
The AIDA-CFIP Program was established in the 2001-02 fiscal year pursuant to Part IV of the Act and was administered by the Saskatchewan Ministry of Agriculture. The purpose of the program was to facilitate the participation of Saskatchewan in a federal-provincial initiative, administered by the Federal Government, to assist producers facing a serious decline in their profit margins due to circumstances beyond their control.

The AIDA and CFIP programs were virtually the same in program specifications, qualification parameters and administration. The AIDA program was in place for producers' 1998 and 1999 claim year. The CFIP program was in place for producers' 2000, 2001, and 2002 claim years. This program ceased operation in 2010. All financial assets were transferred to the General Revenue Fund.

Canada-Saskatchewan BSE Recovery Program:
The Canada-Saskatchewan Bovine Spongiform Encephalopathy (BSE) Recovery Program was established in 2003-04 pursuant to Part IV of the Act and was administered by the Saskatchewan Ministry of Agriculture. The purpose of the program was to provide assistance payments to producers and packers affected by the closure of the Canada-United States border to eligible livestock exports. This program ceased operation in 2010. All financial assets were transferred to the General Revenue Fund.

Canada-Saskatchewan Specified Risk Material Management Program (SRM):
On June 26, 2006 the Canadian Food Inspection Agency (CFIA) announced enhancements to Canada's feed ban in an attempt to strengthen Canada's safeguards against the spread of BSE and to speed its eradication. The CFIA regulations require all Specified Risk Material (SRM) tissues to be removed and excluded from use in all animal feed, pet food, and fertilizer and disposed in a manner approved by the CFIA by July 12, 2007.

The Canada-Saskatchewan SRM Management Program provides funding to facilities affected by the enhanced feed ban for investment in one-time infrastructure development projects specifically related to SRM handling and disposal. The goal is to create viable environmentally safe disposal options across Saskatchewan to reduce the cost of industry adaptation to the new CFIA regulations.

The purpose of the program is to provide assistance payments to eligible applicants who develop the necessary infrastructure to remove, segregate, store, transport, dispose of or destroy specified risk material.

Farm and Ranch Water Infrastructure Program 2008 (FRWIP 2008):
The Farm and Ranch Water Infrastructure Program 2008 (FRWIP 2008) provides assistance to farmers, ranchers, rural municipalities and Indian Bands in designated drought areas of the province. The program covers emergency water supplies for short term demands, permanent on-farm water supplies, and the establishment of wells to serve communities over the long term. The intent of the program is to help lessen the impact of drought by providing a secure water source for farmers and ranchers. The program is administered by the Saskatchewan Ministry of Agriculture and is cost shared with the Federal Government.

Farm and Ranch Water Infrastructure Program 2009 (FRWIP 2009):
The Farm and Ranch Water Infrastructure Program 2009 (FRWIP 2009) provides assistance to develop water infrastructure across the entire province. The program covers on-farm water supplies and the establishment of wells to serve communities over the long term. The intent of the program is to help lessen the impact of drought by providing a secure water source for farmers and ranchers. The program is administered by the Saskatchewan Ministry of Agriculture and is cost shared with the Federal Government.

Canada-Saskatchewan Pasture Recovery Initiative (CSPRI): Under the 2010 Pasture Recovery Initiative, livestock producers living in the eligible municipal districts

in West Central and Northwest Saskatchewan receive pasture assistance for breeding cattle, as well as assistance for other types of breeding livestock, subject to size of the eligible livestock.

The program will provide livestock producers in Saskatchewan facing two years of drought with funding from the federal and provincial governments to buy feed while damaged pastures recover.

In the event that these programs terminate, any remaining net financial assets must be returned to the Government of Saskatchewan's General Revenue Fund.

2. Significant accounting policies

These financial statements have been prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Cash and Cash Equivalents:
Cash and cash equivalents consist of cash, short-term investments with a maturity of 90 days or less, the Fund's bank accounts which are included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan (note 3) and all other amounts Due from the Province of Saskatchewan General Revenue Fund.

Revenue Recognition:
Funding received from the Federal Government is considered to be externally restricted and as a result is deferred until the program itself incurs expenses.

The Wildlife Damage Compensation program was funded at 80% coverage, cost shared 60% by the Federal Government and 40% by the Provincial Government. On February 19, 2009, coverage was increased to 100%, with the Provincial Government funding the additional 20%.

The Slaughter and the Packer Incentive, Cull Animal, Fed Cattle Set-Aside, and Feeder Calf Set-Aside elements of the BSE Recovery Program were funded 60% by the Federal Government and 40% by the Provincial Government. The Inventory Set-Aside, Other Ruminant Industry Transitional Element, and Fed Livestock Competitive Market Adjustment elements of the BSE Recovery Program were
funded 100% by the Provincial Government.

The New Crops Insurance program and Canada-Saskatchewan Excess Moisture Program were funded 60% by the Federal Government and 40% by the Provincial Government.

The Specified Risk Material Management program is funded 60% by the Federal Government (to a maximum of $11.0 million) and 40% by the Provincial Government (to a maximum of $7.3 million).

The Farm and Ranch Water Infrastructure Program 2008 is funded 60% by the Federal Government and 40% by the Provincial Government.

The Farm and Ranch Water Infrastructure Program 2009 is funded by the Federal Government and by the Provincial Government under the Growing Forward Framework Agreement.

The Canada- Saskatchewan Pasture Recovery Initiative is funded 60% by the Federal Government and 40% by the Provincial Government.

The amount recognized as revenue from the Federal Government is a percentage of the program eligible expenses.

Funding received from the Province of Saskatchewan is not considered to be externally restricted because the entities are under common control. As a result, grant revenue from the Province of Saskatchewan is recognized when the grant criteria have been met. The return of grant money to the General Revenue Fund is recognized as an expense.

Use of Estimates:
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. The significant item subject to such estimates and assumptions is indemnities payable. Actual results could differ from those estimated.

3. Due from Province of Saskatchewan General Revenue Fund

The New Crops Insurance Program bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan. Interest is earned on these funds at the government's thirty day borrowing rate, and is based on the fund's average daily account balance. The average of the thirty-day borrowing rate was 0.80% (2009 – 0.27%). The Province of Saskatchewan General Revenue Fund pays interest to the fund on a quarterly basis.

Interest is earned on the Wildlife Damage Compensation Program funds at Prime less 3% to a minimum of 0.5%. Interest is earned on the Canada-Saskatchewan Excess Moisture Program funds at 0.45% on balances exceeding $50 million, at 0.3% on balances between $10 million and $50 million, and at 0% on balances under $10 million.

The AIDA-CFIP Program funds, the Specified Risk Material Management Program funds, the Farm and Ranch Water Infrastructure Program funds and the Pasture Recovery Initiative funds are deposited in the General Revenue Fund. Interest is not paid on these accounts.

All other amounts represent short-term receivables from the Province of Saskatchewan General Revenue Fund.

4. Planned results

	Budget 2010-11 ($000)	Actual 2010-11 ($000)	Actual 2009-10 ($000)
Revenue			
New Crops Insurance	$ ---	$ 6	$ 18
Wildlife Damage Compensation	11,800	18,284	9,477
Canada-Sask. Excess Moisture Program	---	254,152	---
AIDA-CFIP	---	---	18
Canada-Saskatchewan BSE Recovery	---	---	---
Specified Risk Material Management	2,100	4	6,833
Farm and Ranch Water Infrastructure 2008	10,470	5,603	4,553
Farm and Ranch Water Infrastructure 2009	8,000	9,095	15,471
Canada-Sask. Pasture Recovery Initiative	---	16,877	---
Expenses			
New Crops Insurance	---	---	---
Wildlife Crop Damage Compensation	11,800	18,415	9,477
Canada-Sask. Excess Moisture Program	---	253,017	---
AIDA-CFIP	---	---	2,079
Canada-Saskatchewan BSE Recovery	---	---	47
Specified Risk Material Management	3,500	4,029	7,328
Farm and Ranch Water Infrastructure 2008	17,450	10,265	10,107
Farm and Ranch Water Infrastructure 2009	10,000	4,095	5,971
Canada-Sask. Pasture Recovery Initiative	---	16,877	---

5. Fair value of financial assets and financial liabilities

The carrying amounts of all financial assets and financial liabilities approximate their fair value due to their short-term nature.

6. Related party transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies and boards related to the Fund by virtue of common control by the Government of Saskatchewan.

The Saskatchewan Crop Insurance Corporation administers the Wildlife Damage Compensation, New Crops Insurance and Canada- Saskatchewan Excess Moisture programs.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

In accordance with established Government practice, the Fund has not been charged with certain occupancy, financing, administrative, and other costs. These costs have been absorbed by various ministry appropriations and, therefore, no provision for such costs is reflected in these financial statements.

7. Commitments

Under the FRWIP programs the Fund has committed at March 31, 2011 to provide assistance to producers for projects to develop water infrastructure totalling $13,386,000, $456,757 of which has been reflected in these financial statements.